

STATE OF TENNESSEE

DALE SIMS  
STATE TREASURER



Steve Curry  
ASSISTANT TREASURER

**TREASURY DEPARTMENT  
BACCALAUREATE EDUCATION SYSTEM TRUST**

P.O. Box 198786  
NASHVILLE, TENNESSEE 37219-8786  
(615) 532-8056 OR 1-888-486-BEST

Dear BEST Customer:

It is our goal to keep you informed of information regarding the program. This letter is written to provide information to you regarding the recently adopted unit payout value and the unit purchase price. This letter is intended solely to inform you of the new rates.

The Board for the Baccalaureate Education System Trust (BEST) recently convened to set the unit payout value and unit purchase price for the upcoming 2008-2009 academic year. The following information is especially important if you will use BEST units during the 2008-2009 academic year, or if you will purchase new units after August 1, 2008. Receipt of this letter in no way obligates you to purchase additional units.

**Using BEST units during the 2008-2009 academic year**

**The new unit payout value is \$56.93 from August 1, 2008- July 31, 2009.** All units redeemed during this period will be paid out at the \$56.93 per unit payout value, which is one percent of the Weighted Average Tuition (WAT) for the 2008-2009 academic year. This is an increase of 5.85 percent.

The payout value only regards those units that have been on the account for at least two calendar years. The payout value is one hundredth of the Weighted Average Tuition (WAT). This amount is calculated by using the average cost of a year's tuition and mandatory fees at all the four-year public universities in Tennessee. The average is then adjusted based on attendance at each school to determine the weighed average cost of tuition (WAT). The WAT is then divided by 100 to arrive at the payout value per unit.

**Purchasing BEST units during the 2008-2009 academic year**

**The new unit purchase price is \$65.66 from August 1, 2008 to December 31, 2008.** This price includes one percent of the WAT for the 2008-2009 academic year, which is \$56.93, an administrative fee of \$3.87, and an actuarial soundness fee of \$4.86.

**The unit price from January 1, 2009 to July 31, 2009 will be \$67.71.** This price includes one percent of the WAT for the 2008-2009 academic year, which is \$56.93, an administrative fee of \$3.87, an actuarial soundness fee of \$4.86, and a mid-year adjustment of \$2.05.

The unit purchase price includes front-loaded fees for the administration of the program. Accordingly, you never make another payment for the cost of administration once the unit is purchased. The actuarial soundness fee is included to enhance the financial position of the BEST program as it relates to the units being purchased.

If you wish to purchase BEST units, you may purchase units by automatic bank withdrawal (ACH), payroll deduction or by check. If you presently contribute to your BEST contract via ACH or payroll deduction, you may want to consider changing your contribution amount to align with the new unit prices to ensure that the amount you contribute covers the number of units that you intend to purchase with each contribution. Please note that if you intend to change your ACH deductions, we will need the ACH form at least five business days before your next withdrawal date. You can access the ACH Authorization form and the Payroll Deduction form on our website at [www.treasury.state.tn.us/best](http://www.treasury.state.tn.us/best). You will need to print and send the completed form to our office via facsimile at (615) 401-6816, or you may mail it to our office at:

**Tennessee's BEST Prepaid Plan  
P.O. Box 198786  
Nashville, TN 37219-8786**

**There is a minimum two calendar year maturity period for all units purchased. However, you will receive a better value the longer you allow your units to remain on your BEST account before you use them.**

**What's New with the Baccalaureate Education System Trust**

This letter is also an opportunity for me to inform you of the other 529 Plan, the *Path2College 529 Plan*, endorsed by Tennessee. The *Path2College 529 Plan* replaces the former BEST Savings Plan. As such, there are still two 529 plan offerings in Tennessee: The BEST Prepaid Plan and the *Path2College 529 Plan*. You can enroll in both plans. Both have the same federal tax advantages (tax free withdrawals for qualified higher education expenses), and, in both plans, the funds saved may be used at virtually any college or university in the nation and some schools abroad. The *Path2College 529 Plan* allows participants to choose from a range of seven investment options. For more information about the *Path2College 529 Plan*, please visit their website at [www.path2college529.com](http://www.path2college529.com).

September will be **College Savings Month** in Tennessee. **College Savings Month** is a great time to ensure that you are on track with your college savings goals.

Please feel free to contact our office if you have any questions, or if you need additional information. You can reach us at our toll free customer service line at 1-888-486-BEST (press Option #2 for the Prepaid Plan) or (615) 532-8056 locally, or you may also reach us via e-mail at [Best.Office@state.tn.us](mailto:Best.Office@state.tn.us). Thank you for being a BEST customer.

Kindest Regards,

*LaKesha Page*  
Operations Manager